

**Amendment No. 1 to HB2342**

**Jones U (Shel)  
Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 2738**

**House Bill No. 2342\***

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-5-701(e), is amended by deleting subdivision (1) in its entirety and by substituting instead the following language:

(1) The comptroller of the treasury shall annually estimate the cost of the tax relief program at the current income limit, and shall provide these estimates to the department of finance and administration as part of the budget preparation process and, at the same time, provide these estimates to the members of the general assembly.

SECTION 2. Tennessee Code Annotated, Section 67-5-702(a)(2), is amended by designating the existing language as item (A), and by adding the following new item:

(B) Beginning in tax year 2003, the terms "annual income from all sources" and "income," as used in this part, shall mean "earned income" as that term is defined in Section 32(c)(2) of the Internal Revenue Code of 1986 in effect on January 1, 2002, and shall exclude any income that does not fall within such definition of earned income.

SECTION 3. Tennessee Code Annotated, Section 67-5-702(a), is amended by deleting subdivision (3) in its entirety and by substituting instead the following language:

(3) Such reimbursement shall be paid on the first one hundred fifty thousand dollars (\$150,000), or such other amount as set forth in the general appropriations act, of the full market value of such property.

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SECTION 4. Tennessee Code Annotated, Section 67-5-702(b), is amended by deleting subdivisions (1) and (2) in their entirety, and by substituting instead the following language:

(1) In determining the amount of relief to a taxpayer, the effective assessed value on the first one hundred fifty thousand dollars (\$150,000), or such other amount as set forth in the general appropriations act, of full market value shall be multiplied by a tax rate which has been adjusted to reflect the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(2) The effective assessed value shall be determined by multiplying the full market value of the property up to one hundred fifty thousand dollars (\$150,000), or such other amount as set forth in the general appropriations act, by twenty-five percent (25%).

SECTION 5. Tennessee Code Annotated, Section 67-5-703(a)(2), is amended by designating the existing language as item (A), and by adding the following new item:

(B) Beginning in tax year 2003, the terms "annual income from all sources" and "income," as used in this part, shall mean "earned income" as that term is defined in Section 32(c)(2) of the Internal Revenue Code of 1986 in effect on January 1, 2002, and shall exclude any income that does not fall within such definition of earned income.

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SECTION 6. The provisions of this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

SECTION 7. This act shall take effect July 1, 2002, and shall apply to tax years beginning on or after January 1, 2003, the public welfare requiring it.